



JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN  
OFFICE OF THE GOVERNOR  
LANSING

JOHN D. CHERRY, JR.  
LT. GOVERNOR

The Honorable James L. Oberstar, Chairman  
Committee on Transportation and Infrastructure  
United States House of Representatives  
2165 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Oberstar:

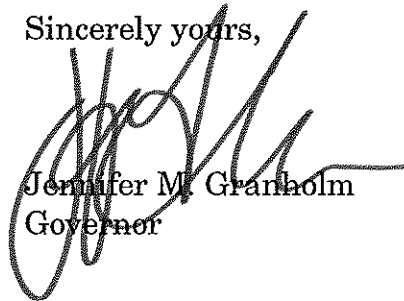
This letter is in response to the U.S. House Transportation and Infrastructure Committee's letter, dated July 20, 2009, requesting information regarding the state's compliance with the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, requirement to give priority to highway infrastructure investment projects located in economically distressed areas. As of August 31, 2009, 88 percent of Michigan's obligated highway infrastructure funds are for projects in economically distressed areas. In addition, 92 percent of the transit funds awarded to date in Michigan were awarded to transit agencies in economically distressed counties.

Only seven of Michigan's 83 counties do not qualify as economically distressed areas, as defined in section 301 of the Public Works and Economic Development Act of 1965, as amended. As of August 2009, the Michigan statewide average unemployment rate was 15.2 percent, considerably more than the national rate of 9.8 percent. Michigan's unemployment rates have been higher than the national average since 2002, and the rate has more than doubled in the past two years from 7.1 percent in 2007.

With regard to equitable geographic distribution of the funds, as of August 31, 2009, 43 percent of certified highway projects in rural areas, representing some 20 percent of obligated funds to date. Michigan state law requires that 25% of federal funds for highway programs be shared with local units of government, and that state obligation has been met as well, further guaranteeing the equitable distribution of Recovery Act funds.

Thank you for your continued support of highway and bridge investment through your work on the committee. Continued investment in this valuable infrastructure is vital to the future national economy. If you have any questions, please contact either me or Kirk T. Steudle, Director, Michigan Department of Transportation, at 517-373-2114.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Jennifer M. Granholm", is written over the printed name and title.

Jennifer M. Granholm  
Governor